

INTERNAL SERVICE FUNDS

INTERNAL SERVICE FUNDS are used to account for the financing of goods or services provided by one department or agency to other departments or agencies of the government on a cost reimbursement basis.

GENERAL RISK MANAGEMENT — This fund is used to account for the cost of insuring the City in the areas of property and casualty liability, public officials' and law enforcement officers' liability and workers' compensation. Departments of the City are assessed a charge based upon the funding needs of the fund.

GROUP HEALTH RISK MANAGEMENT — This fund was established to account for the cost of the City's self-insurance program for employee medical coverage.

Effective January 1, 1998, the City was no longer self-insured for group health. Beginning in fiscal year 2000, remaining funds in the health insurance trust fund are being appropriated for the purpose of providing health insurance premiums for City employees. The appropriation of funds will be amortized over a minimum of five years.

FLEET MANAGEMENT — This fund is used to account for the costs and funding of providing motor vehicles and heavy equipment to other departments.

CITY OF NORTH MIAMI, FLORIDA

SCHEDULE F-1

INTERNAL SERVICE FUNDS COMBINING BALANCE SHEET

SEPTEMBER 30, 2001

(WITH COMPARATIVE TOTALS FOR SEPTEMBER 30, 2000)

<u>ASSETS</u>	General Risk Management	Group Health Risk Management	Fleet Management	<u>Totals</u> 2001	2000
Cash and short-term investments	\$ 1,419,767	\$ 1,380,611	\$ 896,477	\$ 3,696,855	\$ 1,645,492
Certificates of deposit	350,000	300,000	1,400,000	2,050,000	4,550,000
Receivables:					
Accrued interest and dividends	352	852	3,496	4,700	11,653
Intergovernmental	-	-	7,791	7,791	3,189
Miscellaneous	-	-	19,187	19,187	11,955
Due from other funds	249,950	-	-	249,950	36,149
Inventories and supplies	-	-	56,444	56,444	55,756
Interfund receivable	1,095,305	-	-	1,095,305	298,886
Advances to other funds	-	326,943	128,500	455,443	434,453
Fixed assets, net	3,508	-	4,095,178	4,098,686	4,369,814
Other assets	<u>83,420</u>	<u>-</u>	<u>900</u>	<u>84,320</u>	<u>72,377</u>
Total assets	<u>\$ 3,202,302</u>	<u>\$ 2,008,406</u>	<u>\$ 6,607,973</u>	<u>\$11,818,681</u>	<u>\$11,489,724</u>
 <u>LIABILITIES AND EQUITY</u>					
Liabilities:					
Accounts payable	\$ 37,487	\$ -	\$ 17,716	\$ 55,203	\$ 102,505
Accrued liabilities, principally salaries	1,716	-	7,880	9,596	9,537
Accrued payroll deductions	1,278	-	6,525	7,803	7,909
Due to other funds	-	-	1,806	1,806	-
Interfund payable	-	-	7,222	7,222	-
Compensated absences	33,091	-	242,793	275,884	249,648
Estimated claims payable	<u>3,128,730</u>	<u>15,000</u>	<u>-</u>	<u>3,143,730</u>	<u>3,380,000</u>
Total liabilities	<u>3,202,302</u>	<u>15,000</u>	<u>283,942</u>	<u>3,501,244</u>	<u>3,749,599</u>
Equity:					
Contributed capital	<u>-</u>	<u>-</u>	<u>4,547,019</u>	<u>4,547,019</u>	<u>4,547,019</u>
Retained earnings:					
Reserved for vehicle replacements	<u>-</u>	<u>-</u>	<u>1,777,012</u>	<u>1,777,012</u>	<u>1,657,018</u>
Unreserved	<u>-</u>	<u>1,993,406</u>	<u>-</u>	<u>1,993,406</u>	<u>1,536,088</u>
Total equity	<u>-</u>	<u>1,993,406</u>	<u>6,324,031</u>	<u>8,317,437</u>	<u>7,740,125</u>
Total liabilities and equity	<u>\$ 3,202,302</u>	<u>\$ 2,008,406</u>	<u>\$ 6,607,973</u>	<u>\$11,818,681</u>	<u>\$11,489,724</u>

CITY OF NORTH MIAMI, FLORIDA

SCHEDULE F-2

INTERNAL SERVICE FUNDS

COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN RETAINED EARNINGS

FISCAL YEAR ENDED SEPTEMBER 30, 2001

(WITH COMPARATIVE TOTALS FOR FISCAL YEAR ENDED SEPTEMBER 30, 2000)

	General Risk <u>Management</u>	Group Health Risk <u>Management</u>	Fleet <u>Management</u>	<u>Totals</u> <u>2001</u>	<u>2000</u>
Operating revenues:					
Motor vehicle charges	\$ -	\$ -	\$2,799,816	\$2,799,816	\$2,684,256
Other charges for services	<u>2,539,771</u>	<u>-</u>	<u>25,026</u>	<u>2,564,797</u>	<u>1,266,772</u>
Total operating revenues	<u>2,539,771</u>	<u>-</u>	<u>2,824,842</u>	<u>5,364,613</u>	<u>3,951,028</u>
Operating expenses:					
Personal services	160,577	-	898,011	1,058,588	1,038,576
Claims	870,000	-	-	870,000	1,469,863
Materials, supplies, services and other operating expenses	740,331	-	897,868	1,638,199	1,737,427
Depreciation	<u>439</u>	<u>-</u>	<u>1,133,059</u>	<u>1,133,498</u>	<u>1,021,600</u>
Total operating expenses	<u>1,771,347</u>	<u>-</u>	<u>2,928,938</u>	<u>4,700,285</u>	<u>5,267,466</u>
Operating income (loss)	<u>768,424</u>	<u>-</u>	<u>(104,096)</u>	<u>664,328</u>	<u>(1,316,438)</u>
Non-operating revenues:					
Interest income	94,759	125,931	117,532	338,222	397,906
Operating grants	-	-	1,353	1,353	11,803
Miscellaneous	<u>41,807</u>	<u>-</u>	<u>44,785</u>	<u>86,592</u>	<u>307,557</u>
Total non-operating revenues	<u>136,566</u>	<u>125,931</u>	<u>163,670</u>	<u>426,167</u>	<u>717,266</u>
Net income (loss) before contributions and transfers	904,990	125,931	59,574	1,090,495	(599,172)
Capital contributions	-	-	94,832	94,832	-
Operating transfers out	<u>(8,603)</u>	<u>(565,000)</u>	<u>(34,412)</u>	<u>(608,015)</u>	<u>(612,490)</u>
Net income (loss)	896,387	(439,069)	119,994	577,312	(1,211,662)
Retained earnings (deficit), beginning	<u>(896,387)</u>	<u>2,432,475</u>	<u>1,657,018</u>	<u>3,193,106</u>	<u>4,404,768</u>
Retained earnings, ending	<u>\$ -</u>	<u>\$1,993,406</u>	<u>\$1,777,012</u>	<u>\$3,770,418</u>	<u>\$3,193,106</u>

CITY OF NORTH MIAMI, FLORIDA

INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF CASH FLOWS
FISCAL YEAR ENDED SEPTEMBER 30, 2001

	General Risk Management	Group Health Risk Management	Fleet Management	Totals
Cash flows from operating activities:				
Cash received from customers, including cash deposits	\$ 41,807	\$ -	\$ 29,258	\$ 71,065
Receipts from other funds for quasi-external operating transactions	1,529,551	-	2,799,816	4,329,367
Payments to other funds for quasi-external operating transactions	(5,700)	-	(29,997)	(35,697)
Cash paid to suppliers	(781,789)	-	(871,618)	(1,653,407)
Gasoline tax refund	-	-	26,579	26,579
Claim payments	(1,106,270)	-	-	(1,106,270)
Cash paid to employees	(152,926)	-	(879,473)	(1,032,399)
Net cash provided (used) by operating activities	(475,327)	-	1,074,565	599,238
Cash flows from non-capital financing activities:				
Advances to other funds	-	107,509	(128,500)	(20,991)
Operating transfers to/from other funds	(8,603)	(565,000)	(34,412)	(608,015)
Grant proceeds	-	-	3,494	3,494
Net cash used by non-capital financing activities	(8,603)	(457,491)	(159,418)	(625,512)
Cash flows from capital and related financing activities:				
Purchase of fixed assets	-	-	(767,539)	(767,539)
Net cash used by capital and related financing activities	-	-	(767,539)	(767,539)
Cash flow from investing activities:				
Proceeds from sale of investments	1,100,000	1,400,000	-	2,500,000
Interest received	96,823	128,385	119,968	345,176
Net cash provided by investing activities	1,196,823	1,528,385	119,968	2,845,176
Net increase in cash and cash equivalents	712,893	1,070,894	267,576	2,051,363
Cash and short-term investments, beginning	706,874	309,717	628,901	1,645,492
Cash and short-term investments, ending	\$ 1,419,767	\$ 1,380,611	\$ 896,477	\$ 3,696,855

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CITY OF NORTH MIAMI, FLORIDA

SCHEDULE F-3
(Continued)

INTERNAL SERVICE FUNDS COMBINING STATEMENT OF CASH FLOWS FISCAL YEAR ENDED SEPTEMBER 30, 2001

	General Risk Management	Group Health Risk Management	Fleet Management	Totals
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:				
Operating income (loss)	\$ 768,424	\$ -	\$ (104,096)	\$ 664,328
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:				
Depreciation	439	-	1,133,059	1,133,498
Other income	41,807	-	44,885	86,692
Changes in operating assets and liabilities:				
(Increase) decrease in:				
Miscellaneous receivables	-	-	(14,073)	(14,073)
Inventories	-	-	(688)	(688)
Interfund receivables	(1,010,220)	-	-	(1,010,220)
Other assets	(12,844)	-	900	(11,944)
Increase (decrease) in:				
Accounts payable	(34,314)	-	(12,988)	(47,302)
Accrued liabilities	137	-	(1,433)	(1,296)
Estimated claims payable	(236,270)	-	-	(236,270)
Compensated absences	7,301	-	18,935	26,236
Interfund payables	-	-	9,028	9,028
Accrued payroll deductions	213	-	1,036	1,249
Total adjustments	(1,243,751)	-	1,178,661	(65,090)
Net cash provided (used) by operating activities	\$ (475,327)	\$ -	\$ 1,074,565	\$ 599,238

Non-cash transactions:

During 2001, the Fleet Management Fund received contributed assets from the City valued at \$94,832.

Note: All short-term investments are reported at cost, which approximates fair value, therefore, there is no change in the fair value of investments.